



# **GENERAL INSTRUCTIONS FOR COMPLETION OF FORM 402LTR9901**

Every business which has been approved to receive the tax incentives for establishing or expanding a new business facility in Delaware **MUST** complete **FORM 402LTR9901, COMPUTATION SCHEDULE FOR CLAIMING LICENSE TAX REDUCTION FOR APPROVED NEW BUSINESS FACILITY GROSS RECEIPTS** in order to claim the reduction. A separate form must be completed for each new or expanded business facility for which a reduction is claimed. Separate forms are also required for each licensable activity conducted at each facility. When completing multiple Forms 402LTR901 for the same licensable activity, you must apportion the monthly exclusion for each licensable activity among the separate facilities based on the ratio of gross receipts for each facility to total gross receipts. Please use the following formula:

$$\begin{array}{rclcl} \text{Apportioned Monthly or} & = & \text{Monthly or Quarterly} & \times & \text{Gross Receipts from New or} \\ \text{Quarterly Exclusion} & & \text{Exclusion} & & \text{Expanded Business Facility} \\ & & & & \text{Total Gross Receipts from} \\ & & & & \text{Each Licensable activity} \end{array}$$

The following example illustrates the operation of this formula for a manufacturer. Assume the following facts. Company A establishes a new manufacturing facility (New Facility) in Delaware which produces \$500,000 gross receipts. The existing facility produces \$1,000,000 gross receipts. The exclusion apportioned to the new facility is calculated as follows:

$$\begin{array}{rclcl} \text{Apportioned Monthly} & = & \text{Monthly Exclusion} & \times & \text{Gross receipts from New Facility} \\ \text{Exclusion} & & \$1,000,000 & & \underline{\$500,000} \\ & & & & \text{Total Manufacturing Receipts} \\ & & & & \$1,500,000 \end{array}$$

Apportioned Monthly exclusion \$1,000,000 X 33.33% = \$333,300. Enter this amount on Line 2 Form 402LTR9901.

## **SPECIFIC INSTRUCTIONS**

- Line 1 Enter on Line 1 the total Delaware Gross Receipts for this facility.  
(Separate forms are required if the business has more than one license.)
- Line 2 Enter Applicable Exclusion for:
 

Manufacturers	\$1,000,000/Mo.	or	\$3,000,000/Qtr.
Wholesalers	50,000/Mo.	or	150,000/Qtr.
Retailers	50,000/Mo.	or	150,000/Qtr.
Occupational Licensees	50,000/Mo.	or	150,000/Qtr.
- Line 3 Subtract Line 2 from Line 1.
- Line 4 Enter on Line 4 the Tax Rate:
 

Manufacturers	.0024
Wholesalers	.00384
Retailers	.0072
Occupational Licenses	.00384
- Line 5 Multiply Line 3 Times Line 4.
- Line 6 Amount of Gross Receipts on Line 1 generated by new or expanded facility.
- Line 7 The Percentage of Receipts on Line 1 generated by new or expanded facility.  
(Line 6 divided by Line 1)
- Line 8 Number of Months since new or expanded facility was placed in service.
- Line 9 Using the number of months elapsed on Line 8, enter Percentage of Tax Reduction.  
(Refer to the applicable Schedule on the front of this form.)
- Line 10 Multiply Lines 5, 7 and 9, place this amount on Line 10 and on the "Approved Tax Credit" Line of the Gross Receipts Tax coupon.

---

Attach this form to the monthly or quarterly license tax gross receipts coupon. If you need assistance completing this form, please call the Business Audit Bureau at (302) 577-8455.